

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS

JUNE 25, 2009

A monthly meeting of the Board of Directors (the "Board") of the Small Business Loan Fund Corporation (the "Corporation") was held in public session at the offices of the Rhode Island Economic Development Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on June 25, 2009 at 9:30 a.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by the By-Laws of the Corporation and by Rhode Island General Law 42-46-6.

The following Directors were present and participated throughout the meeting: Mr. William Parsons, Mr. Thomas Stocker and Mr. Richard DeMerchant.

The following Director(s) were absent: Mr. Raymond Fogarty (Chair) and Mr. Edward Rendine.

Also present were: Corporation staff members Earl F. Queenan Jr. and Sean Esten; special consultant Anthony J. Scolavino and Legal Counsel Carol Anguilla.

Mr. Parsons presided over the meeting.

1. Call to Order

Mr. Parsons called the meeting to order at 9:40 a.m.

2. Approval of the Minutes of the Meeting Held on March 26, 2009

The first item to come before the Board was approval of the Public Session Minutes and the Executive Session Minutes of the Board meeting held on March 26, 2009. Upon motion duly made by Mr. DeMerchant and seconded by Mr. Stocker, the motion to approve the Public Session Minutes and the Executive Session Minutes of the meeting held on March 26, 2009 was adopted and approved.

The following Directors voted in favor of the foregoing: Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

3. Maintain the Executive Minutes of March 26, 2009 Confidential

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on March 26, 2009. Upon motion duly made by Mr. DeMerchant and seconded by Mr. Stocker, the motion to

maintain the confidentiality of the Executive Session Minutes of the Board meeting held on March 26, 2009 was adopted and approved.

The following Directors voted in favor of the foregoing: Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

4. Report of Cash Position as of May 31, 2009

Mr. Scolavino presented the report of Cash Position as of May 31, 2009.

5. Report of Portfolio Activity, Delinquency Loans and Loan Forbearances as of May 31, 2009

Mr. Scolavino presented the report of Portfolio Activity, Loan Delinquency Report and Loan Forbearance Report as of May 31, 2009. Mr. DeMerchant requested further explanation regarding Concordia Manufacturing, LLC and discussion ensued regarding the stability of the company and conditions under which it could obtain the balance of its financing. Mr. DeMerchant posed several questions regarding the forbearance with Location, Inc. which Mr. Scolavino answered. A general discussion of the report followed.

6. Approval of Corporate Authorizing Resolution

Mr. Scolavino then presented the Board with a corporate authorizing resolution that would empower Mr. Sean Esten as Administrator of the Corporation and would authorize him to, among other things, execute on behalf of the Corporation all documents in connection with loans made by the Corporation. Upon motion duly made by Mr. Stocker and seconded by Mr. DeMerchant, the motion to approve the corporate authorizing resolution for Mr. Sean Esten as Administrator, in the form attached hereto and made a part hereof as Exhibit A, was adopted and approved.

The following Directors voted in favor of the foregoing: Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

7. Approval of Loan Charge Offs for Fiscal Year End 6/30/2009

Mr. Scolavino presented and reviewed the Recommended Loan Charge Offs for the fiscal year ending June 30, 2009. The Board posed several questions about the recommendations and discussion ensued. There being no further questions, a motion was then made by Mr. Stocker, was seconded by Mr. DeMerchant, and was unanimously approved to accept the Recommended Loan Charge Offs as presented .

The following Directors voted in favor of the foregoing: Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

8. Approval of Loan Reserve Allocation for Fiscal Year Ending 6/30/2010

Mr. Scolavino presented the Recommended Loan Reserve Allocation for the fiscal year ending June 30, 2010. Mr. Scolavino explained the allocations and some discussion ensued among the Board members. There being no further questions, a motion was then made by Mr. DeMerchant, was seconded by Mr. Stocker, and was unanimously approved to accept the Recommended Loan Charge Offs as presented.

The following Directors voted in favor of the foregoing: Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

9. Other Business

Corporation staff confirmed that there were no other matters to be discussed during this portion of the public meeting.

10. Executive Session

Mr. Parsons suggested that the Board move into executive session. Upon motion duly made by Mr. DeMerchant and seconded by Mr. Stocker, the motion to move the meeting into executive session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(6) of the General Laws of the State of Rhode Island, as amended, was adopted and approved.

The following Directors voted in favor of the foregoing: Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

Public session concluded and executive session began at 10:00 a.m.

11. Return to Public Session

Upon a motion duly made by Mr. DeMerchant and seconded by Mr. Stocker, the motion to conclude executive session and return to public session was adopted and approved.

The following Directors voted in favor of the foregoing: Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

Executive session concluded and public session began at 10:25 a.m.

12. Executive Session Vote Ratification

Mr. Parsons called for ratification of the votes adopted during executive session. Upon motion duly made by Mr. DeMerchant and seconded by Mr. Stocker, the following votes were ratified:

To approve the application of Material Sampling Technologies, LLC for a term loan in the principal amount of \$250,000.00.

To approve an extension on the Loan Commitment for \$300,000.00 to Woonasquatucket Valley Community Build (a/k/a The Steel Yard) until October 31, 2009.

To approve an extension on the Loan Commitment for \$200,000.00 to Pawtucket Redevelopment Agency until October 31, 2009.

The following Directors voted in favor of the foregoing: Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

There being no further business to come before the Board, upon motion duly made by Mr. Stocker and seconded by Mr. DeMerchant, the meeting was adjourned at 10:26 a.m.

Respectfully submitted,

Earl F. Queenan, Jr.
Administrator

EXHIBIT A

SMALL BUSINESS LOAN FUND CORPORATION

CORPORATE RESOLUTIONS

The undersigned, Secretary of the Small Business Loan Fund Corporation, a governmental agency and public instrumentality of the State of Rhode Island (the "Corporation"), hereby certifies that at a meeting of the Board of Directors of the Corporation duly called and held on the 25th day of June, 2009 at which meeting a quorum was duly present and acting throughout, the following votes were duly adopted:

VOTED: That the Small Business Loan Fund Corporation (the "Corporation") does hereby authorize and empower Earl F. Queenan, Jr. and/or Sean Esten, the administrators of the Corporation (collectively, the "Administrators", and individually, the "Administrator") or in their absence, the Rhode Island Economic Development Corporation's Managing Director – Finance (the "Managing Director") or the Rhode Island Economic Development Corporation's Interim Executive Director ("Interim Executive Director") acting singly, or their respective successors in office, on behalf of the Corporation to do and perform all acts and things and to execute and deliver all instruments and documents of whatsoever kind and nature necessary or incidental to or required by the Corporation in connection with loans made by and authorized by the Corporation, including without limitation, the execution of loan agreements; security agreements; UCC-1 financing statements; landlord's consents; intercreditor agreements; subordination agreements; UCC amendment, continuation and termination statements; mortgage discharges; and any other instruments or documents necessary to carry out the provisions of this resolution or any other resolution adopted by the Corporation, provided however, the written approval of one Administrator and Managing Director or Interim Executive Director shall be required on the releases of any borrower or collateral for less than the legal balance of such loan at the time of such release; or of loan modifications, loan workouts or loan settlements and it is further

VOTED: That any one of the Administrators is authorized to execute and deliver on behalf of the Corporation any and all other documents and to take any and all other action as such Administrator deems appropriate to effectuate the purposes of these resolutions and any other resolutions of the Corporation, provided, however the signatures of one Administrator and the Managing Director or Interim Executive Director shall be required on any instrument which releases any borrower or collateral for less than the legal balance of

such loan at the time of such release or on any approval of loan modifications, loan workouts or loan settlements; and any and all documents and agreements heretofore executed and acts or things heretofore done to effectuate the purposes of these resolutions are hereby in all respects ratified, confirmed and approved as the act or acts of the Corporation.

I hereby certify that I have personally examined the Articles of Incorporation and By-laws and all amendments thereto of the Corporation and that I am generally familiar with the agreements, indentures and other instruments to which the Corporation is a party; that neither the resolutions set forth above nor any action taken or to be taken pursuant thereto are or will be in contravention of any provision or provisions of the Articles of Incorporation or By-laws of the Corporation or any agreement, indenture or other instrument to which the Corporation is a party; that the foregoing resolutions are and remain in full force and effect on and as of the date of this certificate, and have not been amended or revoked.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Corporation this _____ day of June, 2009.

By: _____
Secretary

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